

## **FY 2008 Annual Program Performance Measures**

---

**DEPARTMENT:** MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

**APPROPRIATION UNIT:** AUTHORITIES, BOARDS and COMMISSIONS **PROGRAM:** MI Land Bank Fast Track Authority

---

**TIMELINE:** October 1, 2007 through September 30, 2008

### **PROGRAM MISSION STATEMENT:**

To assist with strengthening and revitalizing the economy of Michigan by fostering economic development with the return of state owned tax reverted properties to productive and economically viable uses.

### **PROGRAM STATEMENT:**

To foster economic development, housing, and urban community stabilization by returning state owned tax reverted properties to uses that are in the best interest of the State of Michigan and its citizenry.

### **FUNDING SOURCE:**

Proceeds from property sales and 5-year/50% tax recapture from property sales.

### **LEGAL BASIS:**

Public Act 258 of 2003 (MCL 124.751 et seq.)

### **CUSTOMER IDENTIFICATION:**

Customers – Governor’s Office; the Michigan Legislature; citizens of Michigan; Department of Labor and Economic Growth and other departments; county and local units of government; county land banks; quasi-governmental agencies; community and faith-based organizations.

Stakeholders – Governor’s Office; the Michigan Legislature; County Land Banks; Community Organizations; and Citizens of Michigan.

## FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: AUTHORITIES, BOARDS and COMMISSIONS PROGRAM: MI Land Bank Fast Track Authority

### PROGRAM GOALS/MAJOR OBJECTIVES:

#### GOAL 1:

- Increase property conveyances by 50% from the last fiscal year.

Highlight Strategy: <b>Green</b>	<u>Objective 1</u>  1.1 STRATEGY: To implement and measure tactics to increase sales.  Comment: See Below
--	---

The MLBFTA exceeded its goal and conveyed 417 parcels during FY2008 as compared to 175 for FY2007. This represents an increase in property sales of 138%. The conveyance goal was exceeded due to the following efforts by Land Bank staff:

- Analyzed the general office procedures and eliminated or reduced un-needed paperwork.
- Streamlined the internal application process and decreased the average processing time from 6.5 months to 30 days.
- Created multiple types of applications for various types of properties which made it more efficient and easier to apply for property purchase.
- Adjusted the asking price on properties due to changing market conditions and established a set price for side lot purchases.
- Developed new programs such as the Side Lot Program that created enhanced customer interest and increased sales.

#### GOAL 2

- To increase the amount of payments collected by the MLBFTA from local taxing jurisdictions of the statutorily mandated tax capture of properties sold by the MLBFTA.

Highlight Strategy: <b>Yellow</b>	<u>Objective 1</u>  2.1 STRATEGY: Increase efforts to partner with local taxing
---	---

## FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: AUTHORITIES, BOARDS and COMMISSIONS PROGRAM: MI Land Bank Fast Track Authority

	agencies in order to collect payments from sale of properties.  Comment: See Below
--	--

By law, the Authority shall receive 50% of the property taxes for 5 years on all non-exempt property sold by the MLBFTA. This allocation should be sent to the MLBFTA from the local taxing jurisdictions, however, in years past the Authority had not been receiving its statutorily mandated capture. In FY2008, the Authority intensified its efforts to collect this money and by doing so the Authority has increased its tax collections to \$4,927.73, the highest total ever. In FY2009, collections will increase dramatically with the addition of City of Detroit property tax captures.

### GOAL 3

- Conduct an assessment of every property within the MLBFTA inventory and collect photos of each property.

Highlight Strategy: <b>Yellow</b>	<u>Objective 1</u> <ul style="list-style-type: none"><li>• 2.1 STRATEGY: To capture information and photos that will show current condition of and information on all properties within the Authority inventory.</li></ul> Comment: See Below
---	--

To date, Authority staff has assessed properties in Genesee, Saginaw and Wayne counties with photos and condition descriptions. Information received is currently being input into the Authority's central computer system. Once completed, the Authority will have the most current real-time information available on properties within its inventory.

## FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: AUTHORITIES, BOARDS and COMMISSIONS PROGRAM: MI Land Bank Fast Track Authority

### GOAL 4

- **Implement a Side Lot Program**

Highlight Strategy: <b>Green</b>	<u>Objective 1</u>  2.1 STRATEGY: Reduce costs for customers who want to purchase vacant lots next door to their homes.  Comment: See Below
--	---

In FY2008, the Authority implemented this program in order to allow homeowners to purchase adjacent lots for \$250. These lots are adjacent to existing occupied private property, and are too small to meet current building code requirements, but would make a perfect garden or play area to add to a homeowner's existing yard. The benefits of this program are as follows:

- Increases land parcel sales for the Authority
- Puts tax reverted properties back on the tax roll
- Fights blighting influences in neighborhoods
- Increases property values in the general neighborhood
- Represents the highest and best usage of the land parcel

### GOAL 5

- **Create an urban gardening program to turn vacant land into a productive state.**

Highlight Strategy: <b>Green</b>	<u>Objective 1</u>  2.1 STRATEGY: Create programs that will allow taxpayers to utilize land bank property for urban agriculture.  Comment: See Below
--	--

## FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: AUTHORITIES, BOARDS and COMMISSIONS PROGRAM: MI Land Bank Fast Track Authority

In FY2008, the Land Bank created the Garden for Growth program which allows taxpayers to lease tax-foreclosed vacant land for \$50.00 for a one-year term, to create community gardens. The concept is that land converted to such usage has several advantages such as cultivating the soil, growing flowers and vegetables for community consumption, beautification of former blighted property and fostering community participation in a neighborhood-oriented positive manner. During FY2009, the MLBFTA will begin the process of working with various community groups throughout the city of Detroit to use its vacant land to promote urban gardening.

This initiative will expand the Garden for Growth program by working with acknowledged farming groups and schools to use some of its properties for educating inner-city young people about farming in the urban setting. Schools in proximity of land bank property may “adopt” a lot and participate with groups like the 4H clubs and the Michigan Farmers Association to learn more about growing fresh vegetables. Participating schools may create their own farmers market projects to teach children about the commercial aspects of farming.

### GOAL 6

- Utilize the title clearance powers of 2003 PA 258, the Land Bank Fast Track Act

Highlight Strategy: <b>Green</b>	<u>Objective 1</u>  2.1 STRATEGY: Start a quiet title program.  Comment: See Below
--	--

In FY2008, the Authority began using its quiet title powers contained in the above Act to clear title on a number of its properties. Customers now have the option of purchasing title insurance on properties once they receive a quit claim deed from the Authority. In FY2009, efforts will be made to expand the program.

## FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: AUTHORITIES, BOARDS and COMMISSIONS PROGRAM: MI Land Bank Fast Track Authority

### GOAL 7

- Create additional local Land Bank Authorities

Highlight Strategy: <b>Green</b>	<u>Objective 1</u>  2.1 STRATEGY: Continue to expand the number of county land bank agencies within the state.  Comment: See Below
--	--

In FY2008, the Authority approved the creation of seven new land bank authorities in Arenac, Cass, Gladwin, Lapeer, Leelanau and Sanilac counties. The city of Detroit land bank authority was also approved. This makes for a total of seventeen land bank authorities created since 2004. In FY2009, the Authority will continue to seek participation of other counties into the land bank process so they can maximize usage of the unique land bank tools to promote positive land use, eliminate blight and fight the negative impact of housing foreclosures on Michigan communities.

### GOAL 8

- Support Various Initiatives From the Governor's Office

Highlight Strategy: <b>Yellow</b>	<u>Objective 1</u>  <ul style="list-style-type: none"><li>• 2.1 STRATEGY: To partner with the Governor's Office on projects that can utilize Authority properties.</li></ul> Comment: See Below
---	--

In FY2008, the MLBFTA partnered with the Governor's Film Office to market its properties to any film makers coming to the state. It is the Authority's intent for the film industry to utilize its properties to make films or to build studios. In FY2008, an Authority

## FY 2008 Annual Program Performance Measures

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: AUTHORITIES, BOARDS and COMMISSIONS PROGRAM: MI Land Bank Fast Track Authority

property in Detroit was used in the making of the film *The Butterfly Effect: Revelation*. The blighted property was leased to Flashback Films who conducted a controlled burn of the house and was then demolished by Flashback Films. There is continuing interest from other film makers and the Authority expects more participation in FY2009.

The Authority has also partnered with the Idlewild Transformation Initiative to encourage the revitalization of that area. The MLBFTA has agreed to use its properties located in Idlewild in a manner that will foster community growth and economic renewal.

### GOAL 9

- **To create partnerships with local governmental agencies to assist in demolishing dangerous state owned tax-reverted properties within the inventory of the MLBFTA.**

Highlight Strategy: <b>Yellow</b>	<u>Objective 1</u>  2.1 STRATEGY: Work with MSHDA through its Blight Elimination Program. Comment: See Below
---	---

In FY 2008, the Authority began working in a collaborative effort with the Michigan State Housing Development Authority through its Cities of Promise Demolition and Blight Elimination Program. The program targets the cities of Detroit, Hamtramck, Highland Park, Flint, Saginaw, Kalamazoo, Muskegon Heights and Benton Harbor for extended demolition of abandoned and dangerous properties, especially those along school routes. The Authority will work with local units of government in identifying buildings that are on their demolition lists so the properties can be targeted for expedited sale or in the case of public safety issues, can be authorized for accelerated demolition.

In FY2009, the Authority will work with the Michigan State Housing Development Authority (MSHDA) and the United States Department of Housing and Urban Development (HUD) in implementing the Neighborhood Stabilization Program (NSP). The MLBFTA will receive approximately \$10 million of the NSP grant to eliminate blighted properties from its inventory and stabilize the communities in which these properties are located.

## FY 2008 Annual Program Performance Measures

---

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: AUTHORITIES, BOARDS and COMMISSIONS PROGRAM: MI Land Bank Fast Track Authority

---

### GOAL 10

- **Implement the internal application of the Authority's Database and Land Management Information System by June 2007.**

Highlight Strategy: <b>Red</b>	<u>Objective 1</u>  2.1 STRATEGY: To establish a user-friendly Land Management Information Database system.  Comment: See Below
--------------------------------------	---

The Authority's database was not created during FY2008. The MLBFTA continues to work with DIT hoping to create this essential system. The database is needed to manage Authority property, monitor sales and inquires, and keep track of property photos and information. This database will also categorize Authority properties so the MLBFTA may strategically plan for the best use of its properties.



## **FY 2008 Annual Program Performance Measures**

---

**DEPARTMENT:** MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

**APPROPRIATION UNIT:** AUTHORITIES, BOARDS and COMMISSIONS **PROGRAM:** MI Land Bank Fast Track Authority

---

### **FAST FACTS:**

#### **In FY 2008, the Michigan Land Bank Fast Track Authority:**

- Decreased the average application processing time from 6.5 months to 1 month.
- Increased the number of properties sold from 132 in 2007 to 405 in 2008.
- Increased the tax capture on its former properties from 0 to \$4,891.73 in tax revenue on the 940 properties sold since 2004.
- Partnered with Wayne County and the City of Detroit to synchronize data on all Land Bank properties to prevent inadvertent foreclosures on Land Bank parcels for a second time.
- Continued to work with the Michigan State Housing Development Authority (MSHDA) to convey properties to non-profit organizations at no cost for the purposes of developing affordable housing. The program is entitled, “MLBFTA/MSHDA Non-Profit Housing Property Development Program”. A total of 17 parcels were conveyed through the joint program in Fiscal Year 2008.
- Updated its website, [www.michigan.gov/landbank](http://www.michigan.gov/landbank), to include the following:
  - Board meeting schedule with updated agendas and approved board minutes
  - Contacts for current Michigan County Land Banks
  - Tax Recapture FAQ’s for Land Banks
  - General Tax Reversion Information
- Approved the creation and operation of seven county land banks and the City of Detroit land bank bringing the total to 18 land banks in the state.
- Continues to partner with the Governor’s Cities of Promise Initiatives and the MSHDA Demolition and Blight Elimination Program to assist in the demolition of tax reverted properties.

## FY 2008 Annual Program Performance Measures

**DEPARTMENT:** MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

**APPROPRIATION UNIT:** AUTHORITIES, BOARDS and COMMISSIONS **PROGRAM:** MI Land Bank Fast Track Authority

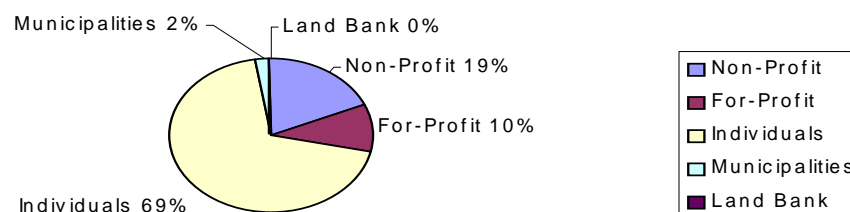


*Michigan Land Bank  
Fast Track Authority*

### PROPERTY CONVEYANCE BY CATEGORY & USE REPORT FISCAL YEARS 2007 & 2008

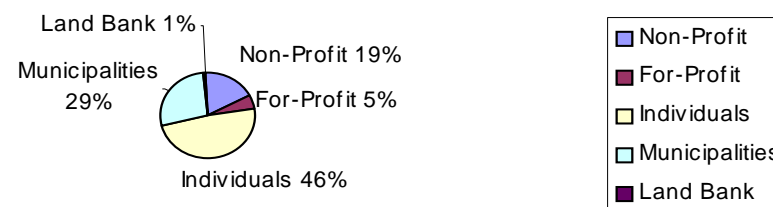
Properties Sold by Category 2007	
Category	Sold
Non-Profit	33
For-Profit	17
Individuals	121
Municipalities	4
Land Bank	0
<b>Total</b>	<b>175</b>

**Properties Sold by Category 2007**



Properties Sold by Category 2008	
Category	Sold
Non-Profit	78
For-Profit	21
Individuals	193
Municipalities	122
Land Bank	3
<b>Total</b>	<b>417</b>

**Properties Sold by Category 2008 Sold**



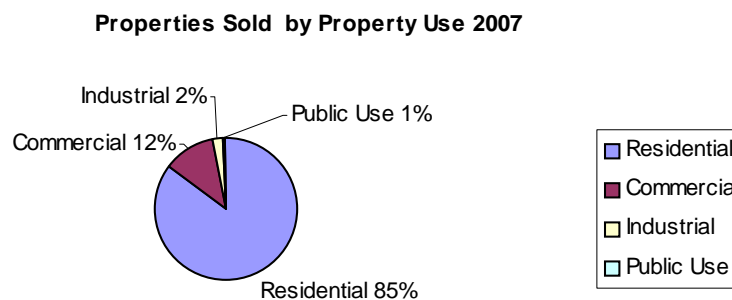
## FY 2008 Annual Program Performance Measures

**DEPARTMENT:** MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

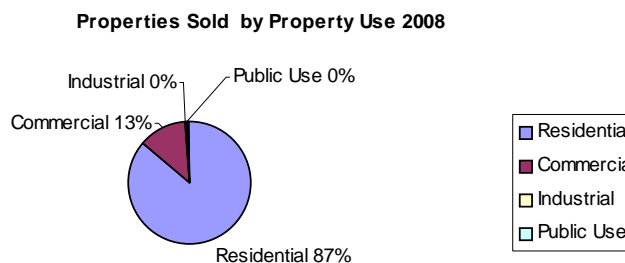
**APPROPRIATION UNIT:** AUTHORITIES, BOARDS and COMMISSIONS **PROGRAM:** MI Land Bank Fast Track Authority

### PROPERTY CONVEYANCE BY CATEGORY & USE REPORT FISCAL YEARS 2007 & 2008

Properties Sold by Property Use 2007	
Use	Sold
Residential	149
Commercial	21
Industrial	4
Public Use	1
<b>Total</b>	<b>175</b>



Properties Sold by Property Use 2008	
Use	Sold
Residential	360
Commercial	53
Industrial	2
Public Use	2
<b>Total</b>	<b>417</b>



## FY 2008 Annual Program Performance Measures

---

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: AUTHORITIES, BOARDS and COMMISSIONS PROGRAM: MI Land Bank Fast Track Authority

---



*Michigan Land Bank  
Fast Track Authority*

### Property Sold By County – FY 2007-2008

County	2007	2008
Alpena	0	2
Arenac	3	0
Berrien	0	2
Branch	0	1
Calhoun	1	1
Chippewa	0	2
Eaton	0	1
Genesee	1	1
Gladwin	0	1
Gogebic	0	1
Gratiot	0	2
Hillsdale	1	0
Houghton	0	3
Ingham	2	4
Iosco	0	3
Iron	1	0
Jackson	0	1
Lenawee	1	0
Monroe	2	1
Midland	1	0
Oceana	1	3

## FY 2008 Annual Program Performance Measures

---

DEPARTMENT: MICHIGAN DEPARTMENT OF LABOR AND ECONOMIC GROWTH

APPROPRIATION UNIT: AUTHORITIES, BOARDS and COMMISSIONS PROGRAM: MI Land Bank Fast Track Authority

---

### Property Sold By County – FY 2007-2008, continued

County	2007	2008
Ogemaw	0	4
Ontonagon	1	0
Osceola	1	1
Otsego	0	1
Presque Isle	0	1
Saginaw	0	6
Shiawassee	0	1
St. Clair	1	2
Wayne	158	372
<b>GRAND TOTAL</b>	<b>175</b>	<b>417</b>